



## Memorandum of Understanding

DATE: September 20, 2017

BETWEEN: The City of Manitowoc ("City")

And

The Community Development Authority of the City of Manitowoc ("CDA")

RE: Operating Agreement Relative to the Cooperative Acquisition and Disposition of Real Estate for the Purpose of Blight Elimination

### Findings of Fact

As a Wisconsin municipal corporation, the City has established the CDA by ordinance under §3.160 of the Manitowoc Municipal Code. The City, as a partner in redevelopment, blight elimination, and provision of affordable housing, provides a variety of services and staffing to the CDA and to the community at large. The City has extensive resources that can be applied to the acquisition, maintenance, and management of real estate, **but has limited authority to acquire property for the purpose of private redevelopment.** Cities are primarily authorized to acquire property for the purpose of creating public facilities.

As a Wisconsin housing and community development authority under §66.1335, Wis. Stats., the CDA is a separate body politic from the City responsible for redevelopment, blight elimination, and provision of affordable housing. The CDA has broad authority to acquire blighted and underutilized property for many purposes including private redevelopment. **However, the CDA has very limited resources that can be applied to the acquisition, maintenance, and management of real estate.**

The City has earmarked funds in its 2017 Budget for the purpose of establishing a Blighted Housing Restoration Program. These funds will primarily be used for acquisition, demolition, environmental due diligence as needed, and relocation costs if applicable. The City has developed and will maintain a list of targeted properties and will ensure ongoing communication with the CDA regarding this list.

With the exception of its ongoing operation of the public housing facility known as Manitou Manor, the CDA's annual operating budget is less than \$1,000. The CDA's community development functions are facilitated through staff entirely funded by the City.

The City and the CDA have partnered together successfully in the past for the purpose of blight elimination, and much of that same model will be applied to the properties under the City's Blighted Housing Restoration Program.

### **Operating Agreement**

In the context of the facts stated above, the City and CDA agree as follows:

- A. The City agrees that it will fund all property acquisition, disposition, demolition, environmental study and restoration, other due diligence, title fees, closing, outstanding property tax or other assessment, relocation, marketing, and all other costs related to the Blighted Housing Restoration Program. The City understands that acquired properties may be held for extended periods of time between acquisition and disposition, and is therefore also prepared to fund any needed ongoing property maintenance, insurance, utility, security, and other holding costs. The City further agrees that none of these costs will be in any way charged to the CDA without the express written consent of the CDA.
- B. The CDA agrees that it will serve as the title owner of properties acquired under the Blighted Housing Restoration Program when the intended outcome is disposition for private ownership and/or private development.
- C. The City agrees, when advised to do so by the CDA's legal counsel, that it will conduct Phase 1 environmental assessments for the benefit and in the name of the CDA prior to acquisition by the CDA of any real estate.
- D. The City agrees that prior to requesting that the CDA take title to real estate under the Blighted Housing Restoration Program, it will provide:
  1. A blight determination for review by the CDA.
  2. A Common Council resolution declaring the property as blighted and finding, where applicable, that a comprehensive redevelopment plan is not needed.
- E. The CDA agrees that in response to the items provided by the City under the Blighted Housing Restoration Program, it will:
  1. Not unreasonably withhold approval of a blight determination.
  2. Promptly schedule a public hearing and provide the required public notice for that hearing.
  3. Hold the public hearing and pass a commensurate resolution asking the City to proceed with the acquisition on behalf of the CDA.
- F. The CDA agrees that it will relinquish ownership of real estate acquired under the Blighted Housing Restoration Program when the City has identified and approved a private party, public entity, or the City itself, for ownership toward further development.

G. The City agrees that it will continue to provide the necessary services and staffing to manage the ongoing obligations that result from implementing the Blighted Housing Restoration Program.

**Approved**

By the City of Manitowoc

By the Community Development Authority of  
the City of Manitowoc

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Justin M. Nickels, Mayor

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John W. Stangel, Chair

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Deborah Neuser, City Clerk

\_\_\_\_\_  
Nicolas Sparacio, Executive Director

Date: \_\_\_\_\_